

December 31, 2004

Ed Hunter, Acting Branch Chief  
Dairy Marketing  
California Department of Food and Agriculture  
1220 N Street  
Sacramento, California 95814

Dear Mr. Hunter:

As you know CDFA has provided updated information on energy and labor and so LOL proposal has been revised.

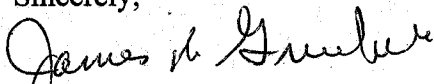
Land O' Lakes revised proposal is as follows:

	Make allowance	California price less CME
Butter		
Current formula	.132	.0332
Proposed	.1321	.031
Powder		
Current formula	.15	na
Proposed	.1551	na
Cheese		
Current formula	.175	.0321
Proposed	.1734	.0283
Whey		
Current formula	.17	na
Proposed	80% of plants covered	na
Cheese Yield		
Current Yield	10.2	
Current Fat test	3.72	

Current Snf Test	8.8
Proposed yield	10.0
Proposed Fat test	3.65
Proposed snf test	8.78

Thank you for your consideration.

Sincerely,



James W. Gruebele  
Consultant for Land O' Lakes

CC: Kelly Krug  
John Lee